

Fixed Asset Policy and Procedure



Society for Welfare Animation and Development

(SWAD)

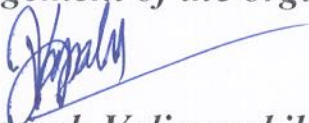
**Social Service Society,
Convent Road, Rayagada.**

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It is my pleasure to introduce a new policy named “ Fixed asset policy and procedure” for our organization. This policy will guide the management of fixed assets starting from procurement to its disposal. This policy will help finance staff and administration staff of SWAD to record all the details of assets procurement and it's usage in day to day functions.

Hence, I do request all staff members of the SWAD, Rayagada to follow the policy and procedure for strengthening the financial management of the organization.



Fr. Joseph Valiparmbil

Director

Dt. 16th August'2014



- ① Behera
- ② Rayan
- ③ Sigle
- ④ Bhiz

- ⑤ Pujari
- ⑥ S. Pini Thomas
- ⑦ Somit

1. INTRODUCTION

SWAD has manifested the social concern of the Catholic Church in the eight district of South Odisha through programs that promote education, health care community origination, peace building, disaster management and prepared ness, agro entrepreneurship and natural resource management through a right based approaches.

In the due course of management of projects, SWAD has to procure various assets for the project requirement and also assets for the requirement of the administration of the organization. This policy will help SWAD to achieve

- 1.1 The guidelines are intended to set out procedures for recording, transfer, safeguarding and disposal of assets.
- 1.2 The regulations facilitate responsibilities requirements for control and accountability, financial information, compliance and stewardship for organization's assets.

2 DEFINITION

- 2.1 An asset is defined as a moveable or immoveable property item procured or received in donation for use within the organization and having a useful life of more than one year like office furniture and equipment, computers, machines, vehicles, land and building etc.
- 2.2 Assets can be available both tangible and intangible form. Tangible assets have physical form like office furniture and equipment, computers, vehicles, land etc. and intangible assets do not have physical form like computer software, copyright etc.

3 SEGREGATION OF DUTIES

- 3.1 Segregation of duties for assets management includes three primary functions:

Function	Activity	Responsibility
Authorization	This includes authorization for purchase, disposal, and transfer of an asset.	Approval Authority / Director
Record Keeping	This includes recording of an asset in Financial records.	Finance staff
Custody	This includes physical control of the assets, tagging and maintenance of inventory records.	Asset Custodian

4 CUSTOIAL RESPONSIBILITIES

- 4.1 Custodial responsibilities assure the Management that the assets are properly maintained and used for the intended purpose and information regarding

acquisition, transfer, disposal and movement etc. of an asset is properly reported. Custodial responsibilities are to be in given in writing duly approved by General Secretary or the delegate.

5 ASSET ACQUISITION

- 5.1 The acquisition of assets is governed by procurement guidelines for purchase of an asset. The acquisition provides significant, direct and tangible benefit to the organization.
- 5.2 Assets received as donations or gifts will also be governed by the same recording and reporting procedures as will be done for the procured assets. The value of donated or gifted assets will be recorded for a notional value of Re.1 in the assets register and other receiving documents.

6 ASSET CODING

- 6.1 Once procured and received, all assets will be assigned a unique identification (code) number for easy reference and identification purposes. The coding convention could be in form of SWAD/Project Name/Location/Year of purchase/Assets Serial No.
- 6.2 All identification numbers will be marked on the property items in indelible ink using permanent marker or paint, so that the marked numbers are not removed or altered later on.

7 ASSET REGISTER

- 7.1 The assets will be recorded in the assets register (Exhibit -1) with Coding details, Voucher/PO Reference Number, Funding source/project number, Cost of the asset, current condition, location, user name, depreciation etc.
- 7.2 The Asset register to be updated in monthly interval for any addition or deletion of assets in the organization.

8 ASSET MOVEMENT

- 8.1 The movements of assets viz laptops, cameras, projectors to the users will be recorded on asset handover form (Exhibit -2) and authorized by the approval authority.
- 8.2 Any assets lost during the movement needs to be intimated to Director immediately and if possible a FIR to be lodged in the nearest police station,.

9 ASSET UTILIZATION

- 9.1 Assets will be used by authorised personnel for the purposes for which they were acquired.

- 9.2 Under-utilised and under-performing assets will be identified, reasons critically examined, and appropriate action taken. Modification of assets will only occur by authorised and qualified persons.

10 ASSET INSURANCE

- 10.1 All assets are to be insured to the value of their replacement against fire, theft, burglary and accidental damages. A list of inventory will be maintained with insurance policy document.
- 10.2 The Vehicles of the organization should be insured for third-party benefit claims.
- 10.3 A file to be maintained for insurance for all assets.

11 ASSET REPAIRS & MAINTENANCE

- 11.1 All assets will be regularly inspected to ensure that assets requiring repairs, maintenance or replacements are timely identified and promptly addressed.

12 ASSET DEPRECIATION

- 12.1** The expected useful life of an asset is used as the basis for charging depreciation or depreciation rates given in the income tax act can be used as the basis for charging the depreciation on assets.
- 12.2** The Finance officer will be write necessary book entries in the books of accounts at the end of the financial year.

13 ASSET DISPOSAL

- 13.1 Assets may be disposed at the end of their useful life or prior to the end of their depreciable life or no longer efficient to retain the asset.
- 13.2 The method of disposal can be discussed by the Management and reasons for the disposal will be documented for approval from the competent authority.
- 13.3 The disposal of assets must be recorded on asset disposal form (Exhibit-3) and approved by the authorized official or the delegate.

14 ASSET PHYSICAL VERIFICATION

- 14.1 Physical inventory must be performed at least once in a year preferably in March every year. The results of the physical inventory must be documented signed by the preparer and the approver.
- 14.2 Independent physical count of the assets should be performed by someone other than the person who has custody of the assets once in a fiscal year and same is to be documented.

ASSET HANDOVERFORM

Request By (Name) _____ Designation _____

Signature _____ Date _____

Asset Details _____ ID No. _____

Asset custody request for _____ days/month/year

Verified By (Custodian Name) _____ Signature _____

Date _____

Approved by (Name) _____ Designation _____

Signature _____ Date _____

Asset Received by (Name) _____ Signature _____

Date _____

Asset ID No. _____ Returned to _____

Date _____

Received back by (Custodian) _____ Signature

_____ Date _____

ASSET DISPOSAL FORM

Asset Description	Asset ID. No.	Asset Acquired on	Period in Use	Condition of Asset	Reason For Disposal	Method of Disposal	Expected Date of Disposal	Remarks

Recommended by _____
Date _____

Approved by _____
Date _____

+ 

Bishop Sarat Chandra Nayak

President

**PRESIDENT
SWAD.RAYAGADA**



Fr. Joseph Valiaparambil

Secretary cum Director

**DIRECTOR/SECRETARY
SWAD.RAYAGADA**



Fr. Sushil Kumar Gouda

Finance Administrator

**FINANCE ADMINISTRATOR
SWAD.RAYAGADA**